



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-012]

Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances, in Part

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce ("Department") preliminarily determines that carbon and certain alloy steel wire rod ("steel wire rod") from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733(b) of the Tariff Act of 1930, as amended ("the Act"). The period of investigation ("POI") is July 1, 2013, through December 31, 2013. The weighted-average dumping margins are shown in the "Preliminary Determination" section of this notice. We invite interested parties to comment on this preliminary determination.

DATED: EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER)

FOR FURTHER INFORMATION CONTACT: Brian Smith or Brandon Custard, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1766 and (202) 482-1823, respectively.

SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The merchandise covered by this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately circular cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Methodology

The Department conducted this investigation in accordance with section 733 of the Act. Because certain companies, including the mandatory respondents,¹ in this investigation did not

¹ The mandatory respondents in this investigation are Benxi Beiyang Iron and Steel Group Imp. and Exp. Corp. Ltd. and Tangshan Iron and Steel Group Co. Ltd.

cooperate to the best of their ability with the Department's requests for information, the Department preliminarily determines that the application of adverse facts available ("AFA") is warranted for this preliminary determination, in accordance with section 776 of the Act and 19 CFR 351.308.

For a full description of the methodology underlying our conclusions, see "Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China," from Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance ("Preliminary Decision Memorandum"), dated concurrently with, and hereby adopted by, this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

Combination Rates

In the Initiation Notice, the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation.² This practice is described in Policy Bulletin 05.1.³

² See Carbon and Certain Alloy Steel Wire Rod From The People's Republic of China: Initiation of Antidumping Duty Investigation, 78 FR 11077, 11081 (February 27, 2014) ("Initiation Notice").

Preliminary Determination

The Department preliminarily determines that the following weighted-average dumping margins exist:

Exporter	Producer	Weighted-Average Dumping Margin
Rizhao Steel Wire Co., Ltd.	Rizhao Steel Wire Co., Ltd.	106.19%
Hunan Valin Xiangtan Iron & Steel Co., Ltd.	Hunan Valin Xiangtan Iron & Steel Co., Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Shajing Steel Co. Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Runzhong Steel Co., Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Hongxing Gaoxian Co., Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Rongsheng Steel-Making Co., Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Jiangsu Runzhong High-Tech Co., Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Hongchang Gaoxian Co., Ltd.	106.19%
PRC-wide Entity*		110.25%

* As detailed in the Preliminary Decision Memorandum, the PRC-wide entity includes, among other companies Benxi Beiyang Iron and Steel Group Imp. and Exp. Corp. Ltd.,⁴ Tangshan Iron and Steel Group Co. Ltd., Angang Group International Trade Corporation, Qingdao Iron and

³ See Policy Bulletin No. 05.1, regarding “Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries” (April 5, 2005) (“Policy Bulletin 05.1”), available at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

⁴ For the reasons explained in the Preliminary Decision Memorandum, the Department finds it appropriate to consider Bei Tai Iron and Steel Group Imp. and Exp. (Dalian) Co., Ltd. (Beitai) a part of Benxi Beiyang Iron and Steel Group Imp. and Exp. Corp. Ltd. for this preliminary determination. See Preliminary Decision Memorandum at the section, “The PRC-Wide Entity.”

Steel Co., Ltd., Jiangsu Yonggang Group Co. Ltd., and Baotou Steel International Economic & Trading Co., Ltd.

Preliminary Affirmative Determination of Critical Circumstances, in Part

On June 4, 2014, the petitioners⁵ filed a timely critical circumstances allegation, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206(c)(1), alleging that critical circumstances exist with respect to imports of steel wire rod from the PRC.⁶ We preliminarily determine that critical circumstances do not exist for the separate rate companies,⁷ but do exist for the PRC-wide entity. A discussion of our determination can be found in the Preliminary Decision Memorandum at the section, “Critical Circumstances.”

Disclosure and Public Comment

The Department intends to disclose calculations performed for this preliminary determination to the parties within five days after the date of publication of this notice in accordance with 19 CFR 351.224(b).

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance via IA ACCESS no later than 30 days after the date of publication of this preliminary determination notice, and rebuttal briefs, limited to issues raised in case briefs, must be submitted via IA ACCESS no later than five days after the deadline for filing case briefs.⁸ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

⁵ The Petitioners are ArcelorMittal USA LLC, Charter Steel, Evraz Pueblo (formerly Evraz Rocky Mountain Steel), Gerdau Ameristeel US Inc., Keystone Consolidated Industries, Inc., and Nucor Corporation.

⁶ See the Petitioners’ Letter to the Secretary of Commerce, “Carbon and Certain Alloy Steel Wire Rod from the People’s Republic of China – Critical Circumstances Allegations,” dated June 4, 2014.

⁷ Rizhao Steel Wire Co., Ltd., Hunan Valin Xiangtan Iron & Steel Co., Ltd., and Jiangsu Shagang International Trade Co., Ltd. (collectively, the separate rate companies).

⁸ See 19 CFR 351.309.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate in a hearing if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance. An electronically filed request must be submitted via IA ACCESS within 30 days after the date of publication of this notice.⁹ Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants in the hearing; and (3) a list of the issues to be discussed at the hearing. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing, two days before the scheduled date.

All documents submitted to IA ACCESS must be received successfully in their entirety by no later than 5:00 p.m. Eastern Daylight Time on the day in which the document is due.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, the Department will instruct U.S. Customs and Border Protection ("CBP") to suspend liquidation of all entries of steel wire rod from the PRC, as described in the "Scope of Investigation" section, entered or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register.

Section 733(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (b) the date on which notice of initiation of the investigation was published. As described above, we

⁹ See also 19 CFR 351.310(c).

preliminarily find that critical circumstances exist for imports of steel wire rod from the PRC produced or exported by the PRC-wide entity. Accordingly, for the PRC-wide entity, in accordance with section 733(e)(2)(A) of the Act, the suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice.

Pursuant to 19 CFR 351.205(d), we will instruct CBP to require a cash deposit¹⁰ for all suspended entries at an ad valorem rate equal to the weighted-average amount by which normal value exceeds U.S. price, adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through¹¹ where, as here, the product under investigation is also subject to a concurrent countervailing duty (“CVD”) investigation: (1) for those PRC exporter/producer combinations listed in the table above, the cash deposit rates will be the rates shown in that table; (2) for all combinations of PRC exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension of liquidation and cash deposit instructions will remain in effect until further notice.

Furthermore, as stated above and consistent with our practice, we will instruct CBP to require a cash deposit equal to the amount by which the normal value exceeds the export price or

¹⁰ See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

¹¹ See sections 772(c)(1)(C) and 777A(f) of the Act, respectively. Unlike in administrative reviews, the Department calculates the adjustment for export subsidies in investigations not in the margin calculation program, but in the cash deposit instructions issued to CBP. See Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at Comment 1.

constructed export price, less the amount of the CVD determined to constitute an export subsidy. In this LTFV investigation, we have not adjusted the preliminary cash deposit rates for export subsidies. With respect to the separate rate companies which were not individually investigated, we find that no export-subsidy adjustment to the rates is warranted because these companies are currently subject to the CVD rate calculated for “All Others” in the preliminary determination of the companion CVD investigation, and we did not include any export subsidies in the calculation of that CVD rate.¹² Accordingly, we made no adjustment to the AD cash deposit rate for the separate rate companies. With respect to the PRC-wide entity, we find that no export-subsidy adjustment is warranted, as AFA, because the lowest export subsidy amount included in a CVD rate to which PRC-wide entries are currently subject is zero. Accordingly, we made no adjustment to the AD cash deposit rate for the PRC-wide entity.

We are not adjusting the preliminary determination rates for estimated domestic subsidy pass through because we have no basis upon which to make such an adjustment. See Preliminary Decision Memorandum at the section, “Section 777A(f) of the Act.”

International Trade Commission (“ITC”) Notification

In accordance with section 733(f) of the Act, we notified the ITC of our preliminary affirmative determination of sales at LTFV. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

¹² See Carbon and Certain Alloy Steel Wire Rod From the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination, 79 FR 38490, 38491 (July 8, 2014), and accompanying Preliminary Decision Memorandum at 26-28.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: August 29, 2014. Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

List of Topics Discussed in the Preliminary Decision Memorandum

1. Background
2. Period of Investigation
3. Scope of Investigation
4. Scope Comments
5. Respondent Selection
6. Discussion of the Methodology
 - a. Non-Market Economy Country
 - b. Separate Rates
 - c. PRC-wide Entity
 - d. Application of Facts Available and Adverse Inferences
 - e. Corroboration of the AFA Rate
 - f. Margin for the Separate Companies
 - g. Combination Rates
7. Critical Circumstances
8. Verification
9. Section 77A(f) of the Act
10. ITC Notification

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